

PUBLIC COMMENT POSTED IN THE ORDER IT WAS RECEIVED
BY
The Office of the Health Insurance Commissioner.



State of Rhode Island and Providence Plantations
Office of the Lieutenant Governor

Elizabeth H. Roberts
Lieutenant Governor

RECEIVED

JAN 25 2010

Health Insurance
Commissioner

January 25, 2010

Christopher Koller
Rhode Island Health Insurance Commissioner
1511 Pontiac Avenue, Building 69-1
Cranston, RI 02910

RE: Proposed 2010 Rate Filing for Large and Small Group Business Plans by Blue Cross & Blue Shield of Rhode Island

Dear Commissioner Koller:

I am writing to request that you reject the application for a rate increase for small and large group business plans submitted by Blue Cross & Blue Shield of Rhode Island.

Rhode Island's businesses and institutions continue to face dire circumstances and a tremendously challenging operating environment during this economic downturn. Rhode Island businesses continue to struggle to survive and keep their doors open. From the state's largest businesses to small, family-owned businesses, deep and painful cuts and sacrifices are being made in operating budgets. The proposed double-digit increases in health insurance premiums for small and large businesses will certainly put extraordinary strain on budgets stretched well beyond their limits, and may contribute to the erosion of employer-sponsored insurance in Rhode Island.

Last year, I stood with business leaders to voice my opposition to the proposed double-digit rate increases for small and large group business plans from all the state's insurers. Your office rejected the proposed increases, and both Blue Cross & Blue Shield of Rhode Island and United Health ultimately withdrew their applications. The recently announced 2010 rate factor filings from Blue Cross & Blue Shield project increases of approximately 14.6% for large groups and 11.5% for small groups. While the rate filings represent a slight reduction from 2009, they are still as I described them last year-- unacceptable, untenable and unrealistic, given the current state of the Rhode Island economy. I urge you to carefully examine and reject this rate filing.

The continually rising tide of health insurance rate increase requests will only continue if we do not address the underlying escalating costs of health care. All stakeholders, medical providers, consumers, insurers and government must together address the root causes of rising health care costs in Rhode Island. As we continue to discuss the ways in which we can bend the cost curve downward, we must remain steadfast in holding the line on cost increases to Rhode Islanders who need our help the most. The proposed rate increases should be rejected at this time and instead we should redouble our efforts to make controlling the underlying costs of health care the focus of our implementation of health care reform in Rhode Island.

Sincerely,

Elizabeth Roberts
Lieutenant Governor



State of Rhode Island and Providence Plantations

HOUSE OF REPRESENTATIVES

REPRESENTATIVE DEBORAH L. RUGGIERO, *District 74*

January 30, 2010

Commissioner Christopher Koller
RI Health Insurance Commissioner
1511 Pontiac Avenue
Cranston, RI 02920

RECEIVED

FEB 09 2010

Health Insurance
Commissioner

Dear Commissioner Koller,

I am urging you to reject Blue Cross Blue Shield's application for a rate increase for small and large group business plans.

Rhode Island businesses are facing unprecedented economic times. Whether it's a small family owned business or a large firm in Rhode Island, deep cuts are being made across the board.

There are 35,000 small businesses in Rhode Island, employing 60% of the state's workforce. Many small business owners are having a difficult time meeting their payroll and paying their vendors. Health insurance increases in this current economy will only contribute to increased unemployment.

We need to look at health care reform and controlling the underlying costs of health care. Perhaps we need to change the way providers get paid so they benefit when patients stay healthy rather than when they have surgery. Please hold insurers accountable with tenacious rate reviews.

I respectfully urge you to carefully scrutinize this request and reject it.

Sincerely,

Deborah Ruggiero
State Representative
District 74—Jamestown Middletown
Cell: 401-487-6415
Email: rep-ruggiero@rilin.state.ri.us

cc: Mr. James Purcell

Congress of the United States
Washington, DC 20515

RECEIVED

FEB 09 2010

**Health Insurance
Commissioner**

February 2, 2010

Commissioner Christopher F. Koller
Office of the Health Insurance Commissioner
1511 Pontiac Ave
Building #69, First Floor
Cranston, RI 02920

Dear Commissioner Koller:

The tentative agreement to raise Blue Cross & Blue Shield insurance premiums stands to harm those in our state who have been most heavily affected by this recession. While we are aware that the cost of care continues to rise and we are working to address those challenges at the federal level through health reform, the proposed rate hike is a significant burden to middle class families given the current economic recession in Rhode Island.

The approved rate increase affects direct-pay health care plans. People enrolled in these plans are not covered through their employers nor are they eligible for government coverage. Individuals and families in this coverage group are among the least likely to be able to afford such an increase. The requested increase effectively asks those in our state who have recently lost their jobs, small-business owners and self-employed workers who have been continuously struggling to provide health care for their workers or themselves, and those workers who do not have access to employer-based insurance (many of whom often make less money because they are in part-time or entry-level jobs), to pick up a disproportionate share of rising health care costs.

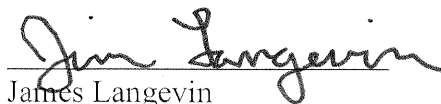
This is exactly the middle class population we should be fighting to protect from soaring health care costs. These Rhode Islanders have already suffered the consequences of these skyrocketing costs, and many live in fear of the astronomical costs they may incur if they or their families experience an unexpected health care emergency. Further, the costs of health care have been holding these small businesses back—40 percent of small business owners have stated that high health care costs have a negative effect on other parts of their business, such as high employee turnover or preventing business growth. Small businesses are already paying premiums that are 18 percent greater than larger companies. With an additional 50 residents of Rhode Island losing health insurance every day, we should not pass along these costs to them.

We respectfully ask that you take into consideration the additional burden to middle class families when forming your recommendation regarding the Blue Cross & Blue Shield of Rhode Island rates increases. Thank you for your consideration.

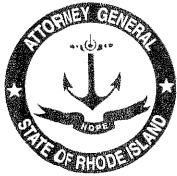
Sincerely,

A handwritten signature in cursive script, reading "Patrick J. Kennedy".

Patrick J. Kennedy
Member of Congress

A handwritten signature in cursive script, reading "Jim Langevin".

James Langevin
Member of Congress



State of Rhode Island and Providence Plantations

DEPARTMENT OF ATTORNEY GENERAL

150 South Main Street • Providence, RI 02903

(401) 274-4400

TDD (401) 453-0410

February 10, 2010

Patrick C. Lynch, Attorney General

RECEIVED

FEB 10 2010

Health Insurance
Commissioner

Mr. Christopher F. Koller
Health Insurance Commissioner
Department of Business Regulation
1511 Pontiac Avenue
Bld. 69, 1st. Flr.
Cranston, RI 02920

**Re: Rating Factors Applicable to Small Group Subscription Rate Renewals
Effective May 1, 2010 through December 1, 2010;**

**Rating Factors Applicable to Rhode Island Builders Association
Subscription Rate Renewal Effective November 1, 2010;**

**Rating Factors Applicable to Large Group Subscription Rate Renewals
Effective July 1, 2010 through December 1, 2010, including Required
Early Notice Renewals Effective January 1, 2011**

**Annual Small and Large Employer Rate Factor Filings – July 1, 2010
United HealthCare Insurance Company**

Dear Commissioner Koller:

I am writing to express my concerns regarding the proposed rate increases filed by Blue Cross for its small group, large group and Rhode Island Builders Association coverage (referenced above "the Blue Cross Filings") with your office on January 22, as well as those filed by United HealthCare for its large and small groups filed on January 14 (referenced above "the United Filings"). Given the extreme economic circumstances Rhode Island citizens are continuing to face and the significant unemployment and increasing costs for virtually every necessity of life, I write to request that you review the appropriateness of the rate increases in these filings in the context of a full public hearing, rather than the limited "public comment."

As you are aware, a full public hearing provides an opportunity for the Attorney General, the public's advocate, to fully review proposed rate increases and protect the interests of the public. Without a full public hearing, the Attorney General will not have an opportunity to obtain expert assistance to conduct a complete review of each of these filings, including the rating factors upon which they are based and that would be used in the calculation of the rates that would ultimately be approved. Although recent press states that your office intends to conduct its own analysis of the proposed rate increases, a full review in the public hearing process would provide complete transparency for those who are being asked to pay these proposed increases.

Mr. Christopher F. Koller

February 10, 2010

Page 2

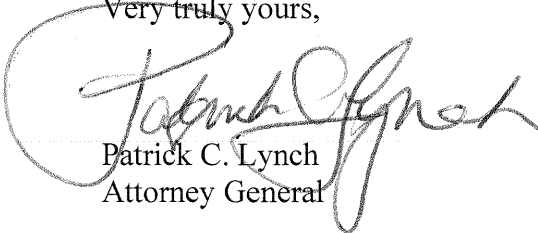
It has been my contention for some time that the extent of the reserves amassed by health insurers, as well as the speed at which they are being accumulated, is problematic. Blue Cross is requesting a reserve contribution of 2.34% for the small and large group subscribers, while United appears to request a 1% profit contribution. At a time such as this, however, when the citizens of Rhode Island continue to face record rates of unemployment, even as compared to the nation, and employers are considering whether to dismiss employees or to simply no longer provide health insurance because they cannot afford it, more than a perfunctory review is warranted.

In public hearings concerning health care over the years, my office has also adamantly objected to the manner in which Blue Cross has spent premium dollars for administrative expenses. For example, I could not help but note that Blue Cross seeks to have its groups pay an additional \$13.05 per member per month for administrative expenses, including a portion only identified as "other." It is interesting to note that Blue Cross's administrative expenses have been continuing to rise while the amount of members paying them has been decreasing – another issue that bears close scrutiny. Moreover, given the fact that there have been no hearings for the group business, these extremely difficult economic times facing Rhode Island citizens and businesses make the need for a full public hearing to examine these proposed increases by both Blue Cross and United even more compelling.

You might also recall that my office has carefully examined Blue Cross's affordability initiatives since Blue Cross first proffered them. In every instance we have been critical of them because they lack not only budgeting and appropriate oversight for the proposed dollars to be spent, but they are also not tracked to ensure that the proposed initiatives actually offer value to subscribers on a cost/benefit basis. Blue Cross makes statements in its filings as to efforts being made to ensure affordability, but there is no opportunity to assess their veracity if there is no public hearing during which they can be appropriately examined. As for United, since there have been no public hearings regarding any of United's filings, this aspect of their filings has never been examined in full public view.

Our state continues to be at a critical juncture. At a time when Rhode Island seeks to attract business, it is also appropriate that the businesses that might consider locating to or remaining in our state, be permitted to obtain health insurance coverage for their employees. In the interests of all Rhode Island residents, I urge that you not summarily grant these rate increases that have been proposed by Blue Cross and United. Instead, I urge you to review these proposed rate increases under the bright light that will be brought through the public hearing process to ensure that any rate increases approved are appropriate and necessary.

Very truly yours,



Patrick C. Lynch
Attorney General

PCL/kab

From: "Frank:1on1Basketball" <fjluca61@cox.net>
To: HealthInsInquiry@ohic.ri.gov
Date: 2/11/2010 9:55 AM
Subject: Insurers rate increases

Dear Commissioner Koller, I am writing to you with deep concern over the health insurers of this state asking for their usual yearly double digit rate increases. There increases are far exceeding the rate of inflation and are just not realistic in any time, let alone with the current state of the economy in this state and in the US.

I am a small business owner and if I passed on double digit increases to my customers every year I would have been out of business years ago. What is Blue Cross and United Healthcare doing to lower their costs, what are they doing to get to the root cause of their higher costs? It appears to me they are not doing enough. I reviewed some of the info on the commissioner's web site and it still does not make sense. It's easy not put a solid effect into reducing your own costs when they know they can get double digit rate increases every year. They have no sense of urgency to find ways of avoiding these rate increase requests.

When is this going to stop?? What can you do to force them to tighten their own belts and to think "outside the box" so these increases are at a more reasonable level?

I really can't take it anymore. If it were not for my family roots in this state I would have left a long time ago. There is no reason or incentive to do business in this state, between high taxes, electric rates and of course health insurance rates. Is it true that our health insurance rates are some of the highest in the nation?

I'm asking (begging) you to please force these insurers to lower their increases to 5% or less and make due with what they get, just like everyone else needs to do during these tough times. Someone has to make a stand thus the people of this state including me are depending on you to defend us and deny these ridiculous and unrealistic rate increases.

I thank you for your time and would be happy to discuss this with you further if you would like. I can be reached at #231-3808.

Sincerely,
Frank Luca
President
One on One Basketball RI

From: James McDonald <mcdonald.james2@gmail.com>
To: HealthInsInquiry@ohic.ri.gov
Date: 2/11/2010 5:59 PM
Subject: comment on insurance rates

To whom it may concern,

I am writing to suggest that recent requests by blue cross, united health and Tufts for rate increases be denied. I agree with the attorney general, Mr. Lynch, that Blue Cross has spent extravagantly on administrative costs. why should the costs of their new expensive building in Providence be passed on to consumers? These are difficult times. let the insurers tighten their financial belts.

Jim McDonald



Ocean State Action

Fighting together for social and economic justice

February 15, 2010

Commissioner Christopher Koller
Office of the Health Insurance Commissioner
1510 Pontiac Avenue, Bldg 69-1
Cranston, RI 02920

RECEIVED

FEB 16 2010

**Health Insurance
Commissioner**

Commissioner Koller:

I am writing in response to your request for public comment on the rate factor filings by Blue Cross and Blue Shield of Rhode Island and UnitedHealth Care for small and large group customers in Rhode Island.

Ocean State Action is a coalition of community organizations, professional associations, and labor unions fighting together for social and economic justice. For over a decade, we have brought together health care consumers, providers, small business owners, and workers to organize for the common goal of quality, affordable health care for all Rhode Islanders.

The current rate factor filings reflect some very troubling trends in terms of the growing unaffordability and accessibility of health care in our state. First, the increases in provider health costs in these factors, as well as your office's recent report on insurance payments to hospitals in Rhode Island, reflect the increasing power of the major hospital systems to demand payments from insurers that are helping to drive the cost of coverage ever higher. It is likely that a merged Lifespan-Care New England hospital system could worsen this dynamic further, in the absence of state rate setting.

It seems insurers do not have the willingness to drive a harder bargain with hospitals unless forced to do so. You should not accept the cost increases proposed for hospitals, particularly those directly related to cost inflation rather than increased utilization.

Last year, the Health Insurance Advisory Council approved new requirements for Rhode Island large and small group insurers that committed the insurers to increase their percentage of primary care spending by 1 percent each year for five years. While these new requirements specifically forbid insurers from passing on the cost of this additional spend to customers, the complex nature of the rate filing makes it difficult to discern whether or not the insurers are hiding the cost of this increased primary care spend within the request, rather than making reductions in spending elsewhere. The burden of proving that the increased primary care spend is not being passed onto consumers should be on the insurers, and the only way they can prove that is to show spending reductions that would not have otherwise been made (or project such reductions in the future).

Finally, in light of these requests, the statements by Blue Cross and United to hold their administrative cost percentage stable suggests that their administrative costs are rising as quickly as their premiums overall – in most cases, more than 10 percent. In a year where there has barely been any inflation at all, 10 percent – or, in the case of Blue Cross' large group request, 14.6 percent – increases in administrative costs are completely unacceptable. The soaring per member per month cost reflects in some cases a reduction in members that is not accompanied with an equal reduction in staff or other administrative costs. This mirrors a troubling trend nationally, where private insurers are seeing profits increase even as their private enrollments decline.

If the increase requests made in these filings are approved, then the vicious cycle of ever-more companies dropping coverage or cost-shifting to employees, and ever more Rhode Islanders losing insurance as a result, will continue – and these reductions in the pool of insureds will mean yet higher per member per month administrative costs.

Finally, I believe the insurers need to be more conscientious about the struggles facing their customers – small and large employers in this state, as well as the insured individuals and families – before the next time they tout their efforts to cut costs. In the context of the pay of top executives at United Health Group nationally and its vast 2009 increase in profitability, any suggestion that the company is doing enough to control costs for its Rhode Island customers is hard to stomach. And while Blue Cross promotes the savings they have accrued from not having to renovate their old headquarters as a result of the company's new building, that claim assumes that the cost of constructing their new building was as reasonable as it could be – which is hard to believe.

It is without a doubt that substantial national healthcare reform is needed if the problem of runaway insurance costs is truly to be controlled. Even rejecting or reducing the size of these requested increases, on its own, will not come close to making health coverage truly affordable in Rhode Island.

But I do urge you to reduce these increases as much as possible in a manner that will force the insurers to make further changes in their own operations and effect some change in their negotiations with hospitals. I also urge you to place conditions on the size of their administrative costs for small and large group customers, and to require that the percentage spent on these costs shrinks accordingly by not rising faster than general inflation.

Sincerely,

A handwritten signature in dark ink, appearing to read "Peter Asen", with a long, sweeping horizontal stroke extending to the right.

Peter Asen
Executive Director
Ocean State Action



State of Rhode Island and Providence Plantations

DEPARTMENT OF ATTORNEY GENERAL

150 South Main Street • Providence, RI 02903

(401) 274-4400

TDD (401) 453-0410

February 16, 2010

Patrick C. Lynch, Attorney General

HAND DELIVERED

Mr. Christopher F. Koller
Health Insurance Commissioner
Co-Chair of Health Insurance Advisory Council
Department of Business Regulation
1511 Pontiac Avenue
Bld. 69, 1st. Flr.
Cranston, RI 02920

Mr. William Martin
Co-Chair of Health Insurance Advisory Council
EpiVax
146 Clifford Street
Providence, RI 02903

RE: Health Insurance Advisory Council Meeting on February 16, 2010

Dear Sirs:

As you know, there is a meeting today of the Health Insurance Advisory Council (HIAC), which is a part of your Office. The HIAC exists solely to present to you concerns of consumers, businesses and medical providers affected by health insurance decisions.

As you also know, on February 10, 2010, I called upon your Office to hold a full public hearing on the recent Small and Large group filings. Such a hearing would allow my office to examine those documents with the assistance of a professional actuary as well as thereafter present evidence to your Office that you could consider and upon which you could legally base a decision to deny or reduce these rate requests. A copy of the February 10, 2010 letter is attached.

The public meeting the HIAC is having this afternoon is an important avenue for citizens to express their concerns over the spiraling costs of health care. Unfortunately, it is neither a substitute for a public hearing nor does it present actuarial evidence upon which you can base a decision to reduce or deny the increases sought by these insurers.

I repeat now, and I strongly hope that all those who attend this public meeting echo that the only way for the citizens and businesses of Rhode Island to be legally heard with the weight of evidence behind their voices is if the Office of Health Insurance Commissioner holds a public

hearing in which we can use expert testimony to scrutinize the filings. Again, I make my request that we receive such a hearing. This public meeting is not, and cannot be, a substitute for that hearing.

Very truly yours,

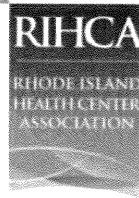
A handwritten signature in black ink, appearing to read "Patrick C. Lynch". The signature is fluid and cursive, with a large initial "P" and a long, sweeping underline.

Patrick C. Lynch
Attorney General

PCL/kab

Enclosure

235 Promenade Street | Suite 104
Telephone: 401-274-1771



Providence, Rhode Island 02908
Facsimile: 401-274-1789

February 16, 2010

Christopher F. Koller
Health Insurance Commissioner
1511 Pontiac Ave, Building #69 First Floor
Cranston, RI 02920

Dear Commissioner Koller,

I write today on behalf of the Rhode Island Health Center Association (RIHCA) and its members, Rhode Island's ten community health centers, to comment on the proposed rate increases for small and large group health insurance by the three commercial insurers in Rhode Island. RIHCA commented on proposed group rate increases last year, and continues to be concerned about any potential increases during this time of economic recession. The health centers are both employers and health care providers, and our concern comes from both perspectives.

Rhode Island's ten community health centers are a critical element in the state's health care landscape. Serving 112,000 Rhode Islanders annually, the community health centers provide comprehensive, high quality primary and preventive care to some of Rhode Island's most vulnerable populations. About 22% of our patients were privately insured in 2008. We are active proponents of the medical home model of care, participants in the Rhode Island Chronic Care Sustainability Initiative and the Rhode Island Chronic Care Collaborative, and early adopters of electronic medical records. In addition, the health centers and RIHCA together employ over 700 people; some are large employers with well over 50 employees, while others are small employers, with fewer than 10 employees.

As health care providers, the community health centers are acutely aware of the need for accessible, affordable primary care in Rhode Island. Our health centers are expanding capacity, both by hiring additional providers and by expanding hours, in order to attempt to meet the increase in demand for our services, including the increased uninsured population many centers are seeing. At one health center, for example, from 2008 to 2009 the unduplicated patient count increased by 21% and the unduplicated uninsured patient count increased by a staggering 88%. In addition, the sliding fee discount total (aka charity care) increased at this one health center from \$637K in 2008 to \$836K in 2009. This amount represents the difference between the standard charge and amounts charged to uninsured patients on a sliding fee scale.

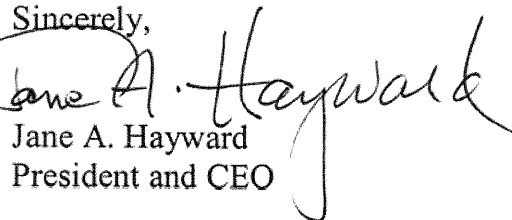
Further, RIHCA and our health centers are concerned about the additional cost that we will incur as employers in order to continue to provide insurance to our workers. As with all employers, should rate increases be approved, the health centers will have to decide what costs to pass on to our employees and what costs the health centers are able to absorb. If the health centers pass the additional costs on to employees, we fear that some of our employees will be unable to pay

additional premiums, and may become uninsured. If the health centers absorb the additional cost of higher insurance rates, we will limit our ability to grow to meet the needs of the increasing numbers of patients in need of our services, including the growing population of uninsured Rhode Islanders.

While we remain very concerned about the rate increases, RIHCA commends the plans on some of the work they are doing to increase affordability of health care and insurance. As we have commented in the past, the community health centers support the Insurance Commissioner's initiatives to address insurance affordability, quality of care, and access to primary care. All 10 community health centers participate in the chronic care collaborative, and one center is a CSI-RI site. The health centers are committed to providing medical homes for their patients with chronic medical issues and are eager to see CSI-RI expand to include more sites.

In conclusion, RIHCA is concerned about the proposed rate increases. In addition to making a careful examination of this request, we encourage OHIC to continue to insist that the insurers are working to reduce costs and increase the quality of health care in Rhode Island. RIHCA remains committed to working together with OHIC and the plans to continue to address affordability. At this time, however, RIHCA is opposed to the rate increases requested by the three commercial insurers.

Sincerely,



Jane A. Hayward
President and CEO

Testimony
Frank T. Caprio
Health Insurance Advisory Council
February 16, 2010

Good afternoon Commissioner Koller and the Health Insurance Advisory Council,

I am here to voice my opposition to the proposed Blue Cross Blue Shield, United Health Care, and Tufts Health Plan rate increases for subscribers.

The direct pay plan rate increases, be they the average 10.2% as proposed by Blue Cross Blue Shield, 9.5% as proposed by the Attorney General, or 7% as recently recommended by your office, represent a financial burden that Rhode Islanders who are already struggling to pay their bills cannot afford.

I've followed the stories and conversations on these increases. The conversation seems to be framed around the wants and needs of the big health insurance companies, but the ability of an average family to afford these rate increases is overlooked. I want to remind you that it is important to keep these folks in mind. The average Rhode Islander can't raise their rates of compensation to cover their wants and needs.

For the average family a rate increase translates into forgoing raises, sending the kids to daycare so both parents can work, and making small life changes like taking the bus to work instead of driving, so they can cover the additional cost of health care caused by these rate increases.

And while the average family has quietly struggled to get by, companies like Blue Cross Blue Shield have continued to justify hiking rates 80% over the last decade, while amassing millions in reserves, handing out fat bonuses to executives, and erecting a state of the art corporate headquarters. In fact, a study conducted by the White House found that healthcare has increased at a rate 4x that of compensation in RI. That 122% rate increase is the 13th highest in the nation.

And while the rates have crept up, Rhode Islanders are looking at a pile of bills on their kitchen table, and are making the tough decisions necessary to survive this recession. Even at the lowest increase, as proposed by Commissioner Koller, the average family plan will cost an additional \$90/month, totaling well over a \$1000 per year.

What will you have to cut to afford another \$90-\$100 per month?

Today, you're also taking the first rounds of testimony on the rate hikes proposed for small businesses.

I've held over 60 forums where I've listened to over a thousand small business owners. These folks are the lifeblood of Rhode Island's economy, with 35,000 of them employing 60% of the workforce. I'm there to find out what, besides the global economy, is holding them back from hiring new people, or at the very least retaining jobs.

Sure, they mention taxes, but their number one cost after payroll is health insurance, raising rates that they insist are inhibiting them from hiring additional people.

I've heard stories of business owners canceling their own insurance before they'll cut it for their employees. Some have taken out personal or home equity loans to avoid having to pass the burden onto their employees. But more frequently folks have delayed expanding and hiring more people as they brace for the next round of rate hikes.

I'm here to tell you what they've all told me; enough is enough. Health insurance rate hikes are killing jobs in Rhode Island.

I've sat where you are today, having to choose between allowing growth of programs which deliver an important service and controlling costs on the Rhode Islanders who are stuck paying the bill.

This decision lies with you because the cost of healthcare is not a normal supply/demand commodity.

We have an inelastic demand for healthcare and not enough providers to create the competition to drive down or even control costs.

So when you consider these rate increases, realize that you're deciding between forcing the insurers to cut costs, or businesses to cut jobs.

Thank you for your time and focus on this issue.

From: <alexzam@aol.com>
To: HealthInsInquiry@ohic.ri.gov
Date: 2/16/2010 4:37 PM
Subject: Public comment - health insurance rate increases

Please accept my comments in response to the public hearing notice - I am unable to attend the meeting.

I work for a small nonprofit and I pay for myself and my children (not including spouse) over \$600 a month out of my paycheck for health insurance - that is about \$7200 a year. In addition I have a \$2,000 per person deductible and there are three of us. On top of this I pay about \$200 a month for family dental.

The rates set for this small nonprofit were based on a small number of people and past utilization history.

I am forced to keep this job due to the health insurance being offered. But my income is being reduced drastically because of this. The effect of rate increases with high deductibles is to disincentivize people from getting preventive care.

A few weeks ago a doctor did a stat throat swab on my daughter to rule out H1N1 - my cost out of pocket? \$70. I will think twice, yes, before agreeing to a test again and want proof that it is important. So - if BCBS truly believes in prevention and wellness and continues to promote plans with super high deductibles and co-pays the impact is to not promote this at all.

My daughters who are in their early 20s and college students take birth control pills. My out of pocket cost for this is \$70 a month. That is every month \$140. Times one year is another \$1680 a year. And this is a co-pay, not a deductible. To disincentivize young people from taking birth control pills because if they were on their own they could not afford to do so is short sighted and poor medical care.

I urge you to disallow ALL of the rate increases being asked for by any health insurer this year. I further urge you to assure that when these health insurers speak of prevention that they put their money where their mouth is and not continue to dupe the RI public. We are more educated than ever before. And the time to stop all of this is now.

Recently, Frank Caprio came out strongly in support of not allowing rate increases. He was a flash in the pan all over the media airwaves. And now there is silence. People are talking that he has been asked to be quiet because of political contribution supporters. Elizabeth Roberts is still speaking out. But the fact that politicians are being bought into silence because of the great power of these health insurers should be sign enough that something is wrong, something needs to stop, and our only independent way to assure this of happening is to plead with the health commissioner to act on our behalfs....it is in your court - please do not let us down.

Nancy Thomas
38 buttonwood Drive
Cranston, RI 02920

From: Barbara Roberts <roberts47@cox.net>
To: HealthInsInquiry@ohic.ri.gov; roberts47@cox.net
Date: 2/16/2010 6:33 PM
Subject: rate hikes

It's time to rein in these insurance companies who are making obscene amounts of money while so many cannot afford health insurance. Their request for rate hikes must be denied.

Barbara H. Roberts, MD

February 16, 2010

Mr. Christopher Koller
Health Insurance Commissioner
State of Rhode Island
1511 Pontiac Avenue
Building 69, 1st Floor
Cranston, RI 02920



RECEIVED

FEB 17 2010

Health Insurance
Commissioner

Dear Commissioner Koller:

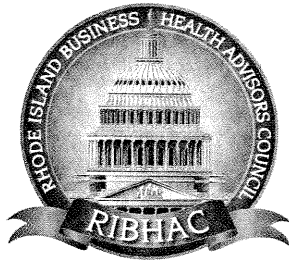
As you are aware, the Rhode Island Business HealthCare Advisors Council (RIBHAC) recently commented on the Blue Cross rate filing request. This letter should be considered our commentary on the recent filings by United Health and Tufts. In our Blue Cross correspondence, we urged you to base your decision primarily on the actuarial documentation submitted by Blue Cross. While we have considerable interest in keeping health care costs low, we understand that the drivers of health care inflation are claims-driven. Unfortunately, the rate of health care inflation both locally and nationally has been quite high and we understand that the carriers need to pass along costs to their consumers.

Please bear in mind that our members are especially sensitive to rate increases as we are most often the deliverers of the bad news. However, we understand that no company, including health insurers, should be expected to operate at a loss. It is our understanding that the requested rate increases submitted by United and Tufts assume very thin margins, providing enough anticipated revenue to hopefully satisfy claims, administrative costs and reserve requirements.

As we related in our Blue Cross letter, we recommend the following initial steps be encouraged in the local marketplace to help mitigate the rate of future increases:

1. Acknowledgement that health insurance-related inflation is driven by medical claims and focusing on solutions to this overwhelming cost driver. We recommend encouragement of alternatives to the fee-for-service provider payment system, encouraging expansion of incentives for corporate wellness and careful future consideration of state mandates and their impact on rates.
2. Repeal of the state's health insurance premium tax that disproportionately affects Rhode Island's small businesses. This tax does not fund any health-related care or service for the small employers forced to pay it.
3. Encouragement of additional small group and individual market carriers to increase competition.

As you consider the rate filings from United and Tufts, we continue to urge your office to primarily consider the actuarial justification for rate increase requests. We acknowledge that



populist pressures exist to reject the increases but we recommend that your decision concentrate on the material facts of the submissions.

We certainly believe that increases are warranted and, assuming they are actuarially justified, then they should be approved. Meanwhile, we will continue our efforts to encourage efficiency improvements to the health care delivery system.

Thanks for your consideration of our collective opinion.

Sincerely,

James R. Borah
President